BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 09-37* *September 18, 2009*

- **Year-over year prices drop 1.1% August**
- **Manufacturing sales slip 0.8% in July**
- **Motor vehicle sales up 1.5% in July**

Prices

- **Compared to the same month last year, consumer prices in British Columbia fell 1.1% in August.** This decrease was largely a result of a sharp drop in prices for energy products (-18.0%). Excluding energy, the Consumer Price Index (CPI) actually rose 1.7% between August 2008 and August 2009.

  Provincially, the rising cost of purchasing groceries (+4.6%) was the main driver of a 3.8% increase in food bills. Prices for fish (+12.2%), dairy (+4.6%), fruit (+3.8%) and other prepared foods were all higher while fresh vegetables cost slightly less (-1.5%). Restaurant meals were also more expensive in August (+2.1%).

  Shelter prices (-3.4%) fell for a fifth straight month with significant decreases in homeowner replacement costs (-14.9%) and utilities (-9.0%). Maintenance & repair costs, however, saw a double-digit increase (+10.9%). Prices for household operations & furnishings were up moderately (+3.0%) while clothing & footwear costs inched ahead (+0.4%).

  Largely driven by a substantial decline in gasoline prices (-22.4%), transportation costs dropped 7.4% in August. Also contributing to the decline in transportation was a decrease in the cost of purchasing an automobile (-3.9%) as well as a lower prices for public (-4.7%) and intercity (-7.5%) transportation.

  Prices for health & personal care (+2.7%) and recreation, education & reading materials (+1.1%) increased modestly over last year's level as did alcohol & tobacco products (+2.3%). Compared to the provincial average, price decreases were slightly less in both Vancouver (-0.8%) and Victoria (-0.8%).

  Data Source: Statistics Canada

- **Year-over-year, the price level in Canada fell 0.8% in August, primarily due to a rapid (-19.1%) decline in prices for energy products, particularly gasoline (-21.2%).** While food prices were on the rise (+4.0%), shelter (-2.2%), transportation (-6.7%) and clothing (-1.7%) costs were all down. Prices were down in most provinces with Alberta (-1.7%) and BC (-1.1%) reporting the most rapid declines. Saskatchewan (+0.8%) and Quebec (+0.4%) were the only provinces to register increased consumer prices.

  Data Source: Statistics Canada

The Economy

- **Sales of goods manufactured in British Columbia slipped (-0.8%) to $2.6 billion (*seasonally adjusted*) in July.** While shipments of primary metals (+7.4%) and paper products (+6.3%) were on the rise, sales of wood (-5.6%), food (-1.3%), machinery & equipment (-2.6%) and beverages & tobacco (-3.7%) all slid lower.

  Canadian manufacturing sales increased 5.5% in July. Following extended shutdowns, several auto assembly lines resumed operations boosting sales in the motor vehicle industry by nearly half (+48.2%). This increase is reflected in the 11.9% rise in shipments in Ontario. Partly offsetting the increase were declines registered in Manitoba (-4.7%), Alberta (-4.0%) and Saskatchewan (-1.9%).

  Data Source: Statistics Canada

Report **What Does Summer Bring to British Columbia?**

Did you know...

In 2008, more than 2.9 million days of work were lost due to workplace injuries in BC.

Data Source: Workers' Compensation Board of British Columbia

- **Wholesalers in British Columbia saw revenues rise (+1.5%) to $4.2 billion (*seasonally adjusted*) in July, mainly as a result of a double-digit (+12.8%) increase in computer & electrical equipment sales.** While computer equipment saw the largest increase during the month, machinery & equipment (+3.8%) and lumber & millwork (+1.9%) made modest gains. Dampening these increases were weaker sales for food (-6.1%), motor vehicles (-5.5%) and metal products (-6.7%).

  Nationally, wholesale activity increased 2.8% to $41.7 billion in July. Higher sales in the automotive (+14.2%) and building materials (+3.4%) sectors were the main contributors to the overall increase. Ontario (+4.3%), Manitoba (+4.6%) and Newfoundland & Labrador (+4.3%) posted the largest increases while Saskatchewan (-4.6%) was the only province to have lower wholesale sales in July.

  Data Source: Statistics Canada & BC Stats

- **The number of new motor vehicles sold in British Columbia in July was up 1.5% (*seasonally adjusted*) marking a fifth consecutive monthly increase in sales.** Both North American and overseas cars and trucks were rolling off lots, making modest gains over the previous month.

  Nationally, the number of new motor vehicles sold climbed 5.3% with more than two-thirds of the increase coming from a 10.0% jump in Ontario. New Brunswick (+6.3%) and Saskatchewan (+8.8%) also posted sharp increases in motor vehicle sales. British Columbia, on the other hand, saw the slowest growth in sales in the country.

  Data Source: Statistics Canada & BC Stats

- **The number of travellers entering Canada via British Columbia dropped 6.3% (*seasonally adjusted*) in July.** This drop comes after a 5.0% decline in the previous month with the downward trend in the number of American (-9.4%) visitors continuing to drive total entries lower. Overseas entries, on the other hand, were 4.3% higher in July with more visitors coming from nearly every continent with the exception of North America. The number of travellers from Asia (+4.3%), Europe (+1.3%), South America (+4.3%), Oceania (+15.3%) and even Africa (+19.2%) all increased. *Data Source: Statistics Canada & BC Stats*

Family Work Patterns

- **Work patterns among Canadian families have changed significantly over the past few decades, especially with the rise of labour force participation by women.** In 2007, more than a quarter (28%) of Canadian married couples worked a combined average of 3,900 hours per year. Individuals in a marriage where both partners are working at least 40 hours per week were more likely to report high levels of stress (50%) in the previous five years than the population as a whole (39%). Moreover, families with children (aged 18 and younger) have lower median incomes when working 4,500 or more hours per year ($82,800) than those that worked roughly 3,900 hours per year ($94,000). This disparity was not present in families without children.

  Data Source: SC Cat. no. 75-001-X

The Nation

- **Canada's composite index of leading indicators rose 1.1% in August, the largest since April.** Historically, an increase of more than 1% in this index usually occurs at the beginning of an economic recovery. The housing index rose 3.1% making this the strongest three month gain in housing since the spring of 1991. Total spending on durable goods was also stronger (+0.4%). New orders on durable goods expanded (+8.1%) for the first time in seven months. Services employment, however, slipped 0.2%.

  The leading indicator for the United States rose for a third consecutive month, up 0.7% in August. Increased activity in housing and manufacturing pushed the index higher after falling steadily for nearly two years.

  Data Source: Statistics Canada

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For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Infoline Report

Contact: Werner Gründlingh
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originally published in
Touism Sector Monitor Issue 09-07

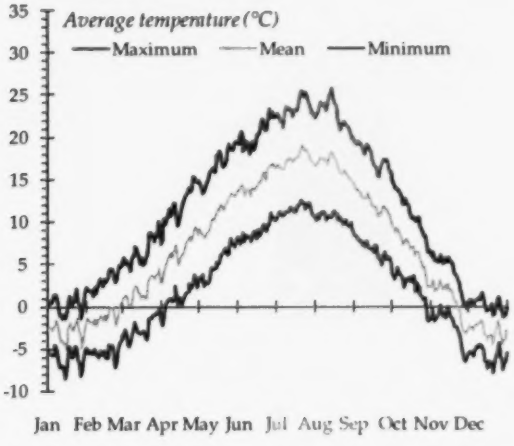
What Does Summer Bring to British Columbia?

This article highlights some of the available ventures, possibilities and trends that mark the warm season of summer in British Columbia.

Climate

Temperature in BC along the coast is mild. The mean summer temperature is around 15.5°C, with maxima that could be as high as 35°C in some places—almost high enough to cook an egg on the sidewalk[1].

BC has a mild 15.5°C average temperature over the summer



Data Source: Environment Canada

Typically, coastal weather patterns are more temperate and show less fluctuation, while the Interior experiences greater temperature extremes.

This warm climate brings with it many changes to BC's tourist-related activities as they undergo a transformation from what usually goes on during the winter and spring season.

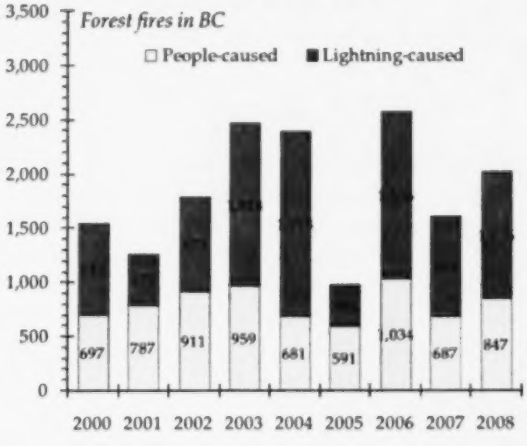
Forest fires

On the negative side, warmer weather is associated with a higher risk of forest fires. Campfire bans are typically in effect when the environment is dry. However, fires still happen, with the main causes being people and lightning.

BC is divided into six *fire centres*, with the most active (in terms of total hectares burned by 5+ hectare fires) being Prince George (35%), followed by Kamloops (20%), Cariboo (16%), Southeast (15%), Northwest (13%) and Coastal (1%).

With the current warm and dry conditions, BC has seen almost 1,500 fires that have burned a total of over 45,000 hectares so far this year.

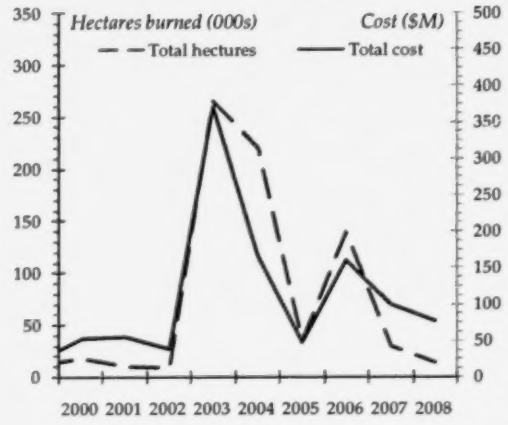
BC has about 2,000 fires per year...



Data Source: BC Forest Service

[1] *Ways to escape the heat and smog*, Times Colonist, Available online from: http://www.timescolonist.com/health/Ways+escape+heat+smog/1843943/story.html

...that take a lot of resources to fight



Data Source: BC Forest Service

One upside to these fires is found, peculiarly enough, in a tourism-related business. Even though fires close to urban areas are disruptive, the effect on the accommodation industry is sometimes paradoxical[2]. During times of fire, hoteliers typically help out, providing lodging for displaced residents and fire fighters.

Ski resorts attract golfers, hikers & bikers

While many people think ski resorts only operate during the cold and snowy winter months, some open up to a range of warm-weather activities. In addition to their regular maintenance and "summer grooming" programs (to allow for better winter snow retention), other activities include mountain biking and hiking trails.

Did you know?...

- Whistler has the most visited bike park[3] in North America with approximately 75% of BC's bike park visits;
- Fernie forms part of the "Top 10 Scenic Drives in the Northern Rockies"[4], as well as the "Hot Springs Circle Tour";
- Vancouver's Grouse Mountain ski resort opens their *Grouse Grind*™—commonly known to locals as "Mother Nature's Stairmaster"—to over 110,000 hikers every year. Alternatively, the *Skyride* has North America's largest aerial tramway; and
- Many other ski resorts include scenic summer-lift rides for mountainous views, as well as golf getaways in their summer activities.

Farms offer fresh fruits & vegetables and tours to visitors

Dry, almost desert-like, conditions exist around Osoyoos (an extension from Mojave and Sonora deserts south of the border), and further north into the BC interior. This part of BC (sometimes referred to as the "interior plains") is different from the coastal waterways and Rocky Mountains on the BC-Alberta border, and provides vast areas for agriculture to flourish.

The Okanagan Valley produces a variety of wines—around 95% of the province's wine production, to be specific[5]. The remainder is produced in the lower Mainland and on Vancouver Island. Many of the more than 120 wineries offer wine tours and tastings during their summer harvesting months. This gives connoisseurs the opportunity to experience part of the wine-making process, and possibly enjoy a cheaper fee for an on-site purchase. Wine sales from 100% BC-grown grape wines total more than $155 million annually.

[2] See a special focus report on the fires in BC during 2003 in the November 2003 issue of the *Tourism Sector Monitor*. Available online from: http://www.bcstats.gov.bc.ca/pubs/tour/tsm0311.pdf

[3] Whistler Mountain Bike Park, available online from: http://www.whistlerbike.com/

[4] Rocky Mountain Vacations, available online from: http://www.drivethetop10.com/

[5] See a special focus report on the wine country of Okanagan-Similkameen in the February 2009 issue of the Tourism Sector Monitor. Available online from: http://www.bcstats.gov.bc.ca/pubs/tour/tsm0902.pdf

Other farming communities have also started tapping into the eco-tourism resources. Known informally as *U-Pick Farms,* they allow visitors to pick-and-pay at their discretion—anything from vegetables (including tomatoes and peppers) to fruits (mainly berries), organic or not.

Hay-bale and corn mazes form part of the production activities of many vegetable-growing farms. BC has some of the largest corn mazes in the Pacific Northwest. Some use GPS to aid in mapping, and showcase a variety of extraordinarily a-*maze*-ing exhibits.

Wildlife

For those eager to find their "sea legs," many companies all around Vancouver Island offer whale watching tours just off BC's coast. *Orcas* (more commonly known as Killer whales), Gray and Humpback whales travel along the coast between Victoria/Vancouver and as far north as Port Hardy and even the Queen Charlotte Islands.

Spirit bears (also known as the Kermode bear), added to BC's list of official symbols in April 2006, are not seen very often. However, this kind of black bear with its contrastingly white fur may be viewed as part of several bear watching tours.

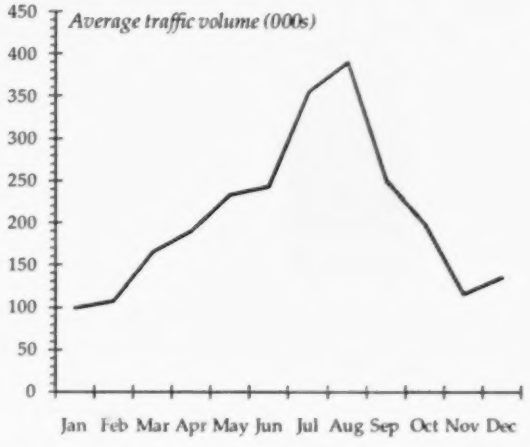
Summer grizzly bear viewing is possible from land and sea as the bears migrate up rivers in anticipation of fall salmon runs. Depending on the location, some accommodation establishments offer remote, fly-in wildlife viewing.

Visitors and travelling

Everybody wants to travel to a sunny holiday destination. Why else would travel agents promote their so-called "sun destination" holidays? This is particularly true in BC, as more people take to the roads.

The Coquihalla Highway—which passes through some of the most beautiful landscapes in the province—links coastal Vancouver to the Thompson/Okanagan region. Summer travel on this highway averages more than 350,000 vehicles in both July and August every year.

The Coquihalla Highway asphalt is tested most during July & August every year



Data Source: Ministry of Transportation

Gasoline prices also follow a somewhat seasonal pattern within BC. Over the last 10 years, the regional average retail price of gasoline has typically peaked in the third quarter. Relatively speaking, if the price at the pump reads 100.0¢/ℓ in July, it will probably stay the same (or increase slightly) through to September (when it is expected to reach 101.7¢/ℓ). After the summer, it usually starts to tick down (reaching an average of 84.8¢/ℓ in January) before climbing again towards the start of summer. The biggest jump happens from February to March each year, with an average 5.3¢/ℓ increase.

Average price of gasoline in BC is highest from June to September

	Estimated price of gasoline [c/l]	Month-over-month growth rate
Jan	84.8	2.04
Feb	86.6	2.17
Mar	91.9	6.09
Apr	96.0	4.47
May	99.2	3.31
Jun	100.3	1.09
Jul	100.0	-0.26
Aug	100.8	0.78
Sep	101.7	0.96
Oct	97.1	-4.57
Nov	92.3	-4.96
Dec	88.7	-3.86

Month-over-month growth rates obtained as an average over 2000-2009. Estimated price of gasoline obtained based on 100¢/ℓ in July. Data Source: Statistics Canada, Gasbuddy.com

A recent poll[6] suggests that almost one quarter of Canadians are likely to cancel summer road trips if gas prices increase by too much. However, despite the pump prices possibly pinching plans, many still enjoy the idea of putting pedal to the metal on BC's highways.

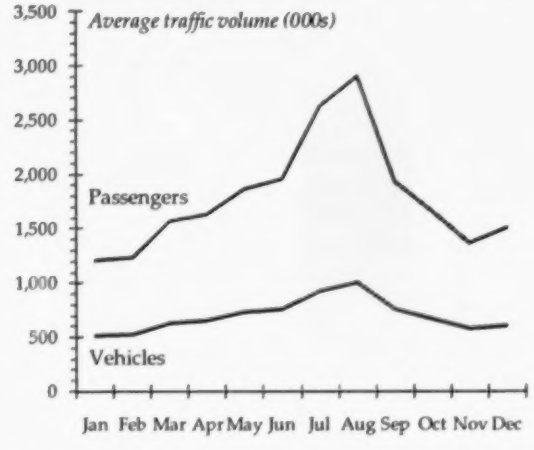
On the wet westerly waterways...

The mobility of cruise ships allows them to experience a warm climate 365 days of the year. So, during BC's cruise season (April through September), many cruise lines make their way back and forth along the coastal inside passage en route to Alaska, including return trips down south to the port cities of Los Angeles and San Francisco. The most active of the five west coast ports (actually, nationwide) is undoubtedly Vancouver, with more than 50% of the cruise passenger traffic serving the Alaska market.

During the 2008 cruise season, average passenger spending was more than triple that of crew members ($174.42 compared to $56.04). An average in excess of 500 ships dock in BC every year (549 in 2008 alone) bringing an estimated 1.3 million passengers to BC's coastal picturesque beauty. Additionally, travellers have the option of choosing between at least 13 different cruise lines and a variety of trip lengths.

Sticking with the coastal scene, BC Ferries also experiences noticeable peaks during the summer months, when passenger traffic almost triples in volume compared to winter.

The summer spike for BC Ferries indicates extensive travel between the Mainland and neighbouring islands



Data Source: BC Ferries

International ferry travel on the Washington State Ferries shows similar summer extremes. Almost two-thirds (64%) of this international ferry traffic occurs during the third quarter (July to September) every year.

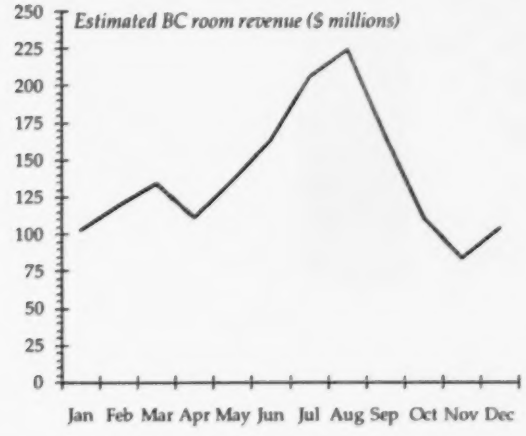
Summer accommodations

The accommodation industry in BC is in place to support the weary heads of travellers, both local and visitors from afar.

[6] *Rising Gas Prices May Keep Summer Road-Trippers Home*: Goodyear Poll, available online from: http://www.newswire.ca/en/releases/archive/June2009/30/c2978.html

During the three months from July to September, hoteliers collect more than a third (36%) of annual provincial room revenue.

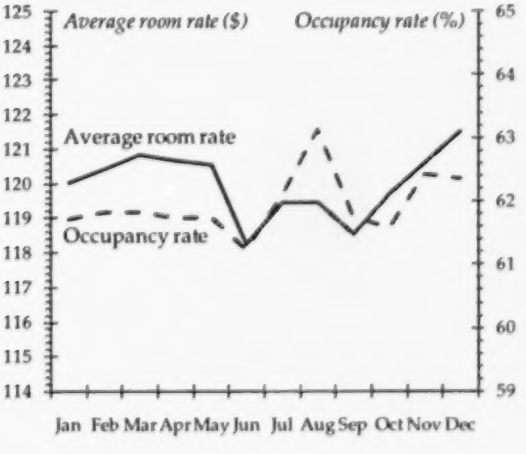
Travellers make use of accommodation purchases during the summer



Data Source: BC Stats

Even though occupancy rates spike over the summer (at 63.1% on average since 2000, for the entire province), average room rates are actually lower over the same period, compared to other months of the year.

Occupancy and room rates do not fluctuate much during the year



Data Source: PKF

Conclusion

Enjoy the summer, and take in what beautiful British Columbia has to offer!

Infoline

September 18, 2009
Issue 09–37

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also on the Internet at www.bcstats.gov.bc.ca or choose RSS

BC at a glance . . .

POPULATION (thousands)	Apr 1/2009	% change on one year ago
BC	4,435.3	1.7
Canada	33,592.7	1.2
GDP and INCOME (Revised Apr 27)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	199,214	3.5
GDP *($ 2002 millions)*	164,161	-0.3
GDP *($ 2002 per Capita) (reflects revised pop)*	37,466	-1.9
Personal Disposable Income *($ 2002 per Capita)*	26,110	3.3
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Jul	2,642	-0.8
Merchandise Exports - Jul	2,132	10.8
Retail Sales - Jun	4,416	0.7
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Aug 2009)	one year ago	% change
BC	-1.1	0.8
Vancouver	-0.8	1.0
Victoria	-0.8	0.9
Canada	-0.8	0.9
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Aug '09	prev. month
Labour Force - BC	2,447	0.5
Employed - BC	2,256	0.4
Unemployed - BC	191	1.3
		Jul '09
Unemployment Rate - BC *(percent)*	7.8	7.8
Unemployment Rate - Canada *(percent)*	8.7	8.6
INTEREST RATES (percent)	Sep 16/2009	Sep 17/2008
Prime Business Rate	2.25	4.75
Conventional Mortgages - 1 year	3.70	6.65
- 5 year	5.49	6.85
US-CANADA EXCHANGE RATE	Sep 16/2009	Sep 17/2008
(avg. noon spot rate) Cdn $ per US $	1.0663	1.0783
(closing rate) US $ per Cdn $	0.9391	0.9356
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Aug '09	one year ago
BC	806.56	3.7
Canada	808.08	2.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Population & Household Projections

The latest British Columbia population projections (PEOPLE 34) are now available. BC Stats produces population and household projections for British Columbia and for a number of sub-provincial geographies in the province, including: Development Regions, Regional Districts, Health Authorities, Health Service Delivery Areas, Local Health Areas, College Regions, School Districts, and six Special Regions.

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp

British Columbia Wellness Atlas 2008

The dynamic and highly configurable atlas allows users greater flexibility to explore the regional variations and correlations of the wellness data. In total, 40 indicators are drawn from the CCHS (Canadian Community Health Survey) and 27 indicators are from the 2006 Census of Canada and 2008 Socio-Demographic variables from BC Stats. The Wellness Atlas presents information in a geographical context (Health Service Delivery Areas), revealing spatial variations and patterns across British Columbia. To display your own unique dataset, contact Pat Bluemel to discuss.

www.bcstats.gov.bc.ca/data/pop/georef/geopage.asp

Regional Employment Projections

British Columbia's economy depends upon a skilled workforce for economic growth and well-being. Recent demographic forecasts have emphasized the need to increase the workforce in a variety of occupations. In response, BC Stats has developed a projection of the possible demand for labour by region, industry and occupation for 2008 to 2013.

www.bcstats.gov.bc.ca/data/lss/repm.asp

Released this week by BC Stats

- Quarterly Regional Statistics, 2nd Quarter 2009
- Consumer Price Index, August 2009

Next week

- No subscription releases

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